

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 20, 2017**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Richard Fischer*

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<b>Applicant:</b>	<b>California Housing Finance Agency</b>
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<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b> \$14,575,000
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<b>Project Information:</b>	<b>Name:</b> <b>Bartlett Hill Manor Apartments (Scattered Site)</b>
	<b>Project Address:</b> 816 Bartlett St.; 625 N. Bunker Hill Ave.
	<b>Project City, County, Zip Code:</b> Los Angeles, Los Angeles, 90012

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<b>Project Sponsor Information:</b>	<b>Name:</b> LINC-Bartlett Apartments LP (LINC-Bartlett Apartments LLC)
	<b>Principals:</b> Rebecca Clark, Suny Lay Chang, Nina Dooley, Maria Marquez-Brookes, Samara Larson and Divya Gill for LINC-Bartlett Apartments LLC
	<b>Property Management Company:</b> U. S. Residential Group (“USRG”)

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<b>Project Financing Information:</b>	<b>Bond Counsel:</b> Orrick, Herrington & Sutcliffe LLP
	<b>Private Placement Purchaser:</b> CalHFA
	<b>Cash Flow Permanent Bond:</b> Not Applicable
	<b>Public Sale:</b> Rated
	<b>Underwriter:</b> CalHFA (construction only)
	<b>Credit Enhancement Provider:</b> Not Applicable
	<b>Rating:</b> A-1
	<b>TEFRA Noticing Date:</b> July 15, 2017
	<b>TEFRA Adoption Date:</b> August 8, 2017

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<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b> General
	<b>Total Number of Units:</b> 65
	<b>Manager's Units:</b> 1 Unrestricted
	<b>Type:</b> Acquisition and Rehabilitation
	<b>Population Served:</b> Family

Bartlett Hill Manor Apartments is an existing scattered site project located in Los Angeles on a .584-acre site and .4782-acre site. The project consists of 49 restricted rental units, 15 market rate units and 1 unrestricted manager unit. The project has 8 one-bedroom units, 45 two-bedroom units and 12 three-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of stucco repairs, roof replacement, window replacements and a fresh coat of paint. Individual apartment units will be updated with new appliance packages, countertops, cabinets, fixtures, paint and electrical updates. Lastly, common or site area renovations will consist of ADA updates. The rehabilitation is expected to begin in February 2018 and completed in February 2019.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 77%

31% (20 units) restricted to 50% or less of area median income households.  
46% (29 units) restricted to 60% or less of area median income households.

**Unit Mix:** 1, 2 & 3 bedrooms

The proposed project will not be providing service amenities.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 24,148,371	
<b>Estimated Hard Costs per Unit:</b>	\$ 90,718	(\$5,896,672 /65 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 371,513	(\$24,148,371 /65 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 224,231	(\$14,575,000 /65 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 297,449	(\$14,575,000 /49 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 14,575,000	\$ 0
CalHFA/ HUD Risk Share	\$ 0	\$ 3,640,000
LIH Tax Credit Equity	\$ 0	\$ 7,851,218
Developer Equity	\$ 392,661	\$ 100
Deferred Developer Fee	\$ 1,352,005	\$ 1,353,563
Deferred Costs	\$ 593,721	\$ 0
Seller Carryback Loan	\$ 0	\$ 637,130
CRA1 Loan	\$ 6,188,672	\$ 6,188,672
CRA2 Loan	\$ 983,311	\$ 983,311
CRA Loan Accrued Interest	\$ 63,000	\$ 63,000
HCID Preservation loan	\$ 0	\$ 1,500,000
CalHFA Subordinate Loan	\$ 0	\$ 1,700,000
GP Loan Reserves	\$ 0	\$ 231,377
<b>Total Sources</b>	\$ 24,148,370	\$ 24,148,371
<b>Uses of Funds:</b>		
Land Cost/Acquisition	\$ 11,530,000	
Rehabilitation	\$ 5,419,747	
Relocation	\$ 465,000	
Contractor Overhead & Profit	\$ 476,925	
Architectural Fees	\$ 212,025	
Survey and Engineering	\$ 105,000	
Construction Interest and Fees	\$ 1,015,901	
Permanent Financing	\$ 107,000	
Legal Fees	\$ 85,000	
Reserves	\$ 182,652	
Appraisal	\$ 8,000	
Hard Cost Contingency	\$ 1,077,331	
Local Development Impact Fees	\$ 15,000	
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 686,663	
Developer Costs	\$ 2,762,127	
<b>Total Uses</b>	\$ 24,148,371	

**Analyst Comments:**

None

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**Legal Questionnaire:**

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

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**Total Points:**

76 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$14,575,000 in tax exempt bond allocation on a carryforward basis.

**ATTACHMENT A**

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	31
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	0
Sustainable Building Methods	10	10	5
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>76</b>